

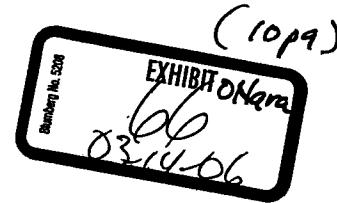
EXHIBIT 21

to Plaintiff's
Opposition

SAYBROOK

GRADUATE SCHOOL • RESEARCH CENTER

President's Report



Board of Trustees Meeting • November 8, 2004

To: Arthur K. Wachtel
Chair, Board of Trustees
Saybrook Graduate School and Research Center

From: Maureen O'Hara, President

CC: Board of Trustees, J. W. Reho, K. Clarke

Date: October 28, 2004

Subject: Enrollment Issues and Marketing Response

Dear Arthur,

You have requested a written report on the lower than planned enrollment that Saybrook has experienced over the past three semesters. Jack Reho has prepared a written report on the financial and operational impact which the drop in the fall 2004 enrollment may have had on our operating outlook for the 2004-05 school year. The VPAA is preparing information on the enrollment, attrition and graduation levels during recent years, which will be provided in a separate document at the Board of Trustees meeting on November 8, 2004.

The objective of this memo is to briefly discuss the situation regarding new student enrollment during the last several years and the decline that we have recently experienced.

I will try to will identify as far as we know and briefly describe factors which may have contributed to the lower enrollment.

From our preliminary review to date of these factors, we have identified that in light of the changed context in which Saybrook is now operating, we need to develop a more effective and relevant marketing, advertising and recruitment strategy and materials.

I will outline the actions that we have undertaken in the last few weeks to begin the process to frame a marketing strategy and to engage personnel who can assist the school in change in this area. This memo briefly touches upon some changes we are promoting for long term curriculum enhancements and shifts in focus, which may help long term enrollment. Again, this topic will be covered in separate material for the board, prepared by Katherine Clarke, and should be discussed separately from this current topic of near term enrollment issues.

The issues we are facing today, I believe, are essentially those I discussed with the board when I became President seven years ago. After several years of growth, the external pressures we were anticipating in 1998 are accelerating. These issues include the competitive pressures from for-profit educational organizations, accreditation issues arising in professional licensing, the continued challenge of offering personalized graduate programs at reasonable costs and the difficulty of making changes within our WASC accredited, non-profit, educational community. I

6. A change in the emphasis for recruiting and attracting students.

- a. Under the Mindy Myers' approach, extensive travel to small/large groups was undertaken by the admissions staff. Two or more open houses were held at Saybrook. Advertising in numerous magazines or journals was placed, much of which was directly designed by Myers and the graphic artists who reported to her. Print advertisements used pictures of people and a message relating Saybrook to those people's interest or needs.
- b. Under Geoff Smith's (Director of Admissions for 2003-04 school year) regime, direct mail campaigns were introduced, with advertisement in journals while travel to conferences or cities was reduced. Advertising was restricted, to an extent, to journals or magazines which provided an improved means of accountability of respondents to advertisements in such publications. Concerned that our new advertising materials were lackluster and not having the desired impact, late in the year, a new concept in advertising was developed through discussions with the VPAA and the President, which did not appear until August/September publications.

7. An increase in tuition and fees

Tuition was increased to the point that the Stafford Loan Program was insufficient to provide funds to cover a student's tuition, conference fees, book cost, conference fees and conference travel and hotel costs. In 2003-04 tuition was increased to \$15,250 from \$14,750. In 2004-05, tuition was increased to \$15,800. Residential Conference costs increased from \$600 to \$750 in the current year.

8. The price point of Master's degree

The price point of the Master's degree is nearly double that of competing M.A. degrees. Recruiting personnel were instructed to focus on increasing master's level enrollment but found themselves trying to sell a product that was not competitively priced.

9. Whole Year Pricing

The "whole year" pricing of the degree programs is unattractive to students who are working fulltime and want to take only 6-9 credits per semester. It is a high demand to expect working adults to complete 9+ graduate units each semester. We believe that a part time, per unit option would strengthen our market appeal, but we have been unable to find a way to sustain the drop in revenue that would occur if we changed to a per unit tuition.

10. Lack of APA Accreditation

The chilling or dampening impact of including in our advertising and web materials, the information that Saybrook is not APA (American Psychology Association) accredited, and the fact that in some 17 states a clinical student from Saybrook may not be eligible to sit for licensing as a clinical psychologist in those states. On advice from counsel we have moved to warn students wishing to sit for licensing that Saybrook may not be the right school for them.

Tables

1.1 Student Enrollment for Period Indicated

	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005*
New & Readmitted students for Year	138	102	188	191	156	75
September Enrollment total	412	431	461	523	525	507
March Enrollment total	430	434	486	521	516	—

*Data reported is only for September 2004 while other data is for full fiscal year.

Table 1.2 Student Enrollment for Period Indicated By Degree

Academic Year	Fall Semester							Spring Semester						
	MA	PhD	Total	New	W/D	MA Grad	PhD Grad	MA	PhD	Total	New	W/D	MA Grad	PhD Grad
1999-2000	65	347	412	91	48	1	3	67	363	430	47	29	9	21
2000-2001	73	358	431	63	54	8	10	75	359	434	39	40	10	16
2001-2002	80	381	461	103	66	4	10	106	380	486	85	51	13	20
2002-2003	130	393	523	117	80	7	14	118	403	521	74	63	14	29
2003-2004	117	408	525	97	57	6	11	118	398	516	59	42	26	17
2004-2005	110	397	507	75										

*Data reported is only for September 2004 while other data is for full fiscal year.

1.3 Student Tuition for Period Indicated

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005*
Tuition Per Student	13,125	13,800	14,500	15,250	15,800
Tuition revenue net of grants	4,846,834	5,757,739	6,668,244	7,233,045	6,733,651
FTE	369	417	460	474	426

*Data reported for 2004-05 is current forecast, while figures in other columns are actual results.